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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Mortgage Returns, L.L.C.

Serial No. 78452093

Laila S. Wolfgram and Jeffrey L. Michelman of Blumenfeld, Kaplan & Sandweis, P.C. for Mortgage Returns, L.L.C.

Darryl Spruill, Trademark Examining Attorney, Law Office 112 (Janice O'Lear, Managing Attorney).

Before Quinn, Zervas and Walsh, Administrative Trademark Judges.

Opinion by Walsh, Administrative Trademark Judge:

On July 16, 2004, Mortgage Returns, L.L.C. ("applicant") filed an application to register the mark MORTGAGE RETURNS in standard-character form on the Principal Register for services now identified as, "providing temporary use of on-line, non-downloadable software in the field of customer relationship management for use in tracking key dates, maintaining client contact information, and incorporating customer account-specific details into tracking, such as which clients to contact

when and why based upon client specific information for use by the mortgage industry" in International Class 42.

The Examining Attorney has refused registration under Trademark Act Section 2(e)(1), 15 U.S.C. § 1051(e), on the grounds that the mark merely describes the services. Applicant responded to the refusal and the Examining Attorney made the refusal final.¹ Applicant appealed. Applicant and the examining attorney filed briefs; applicant did not request an oral hearing.

A term is merely descriptive of the services within the meaning of Trademark Act Section 2(e)(1) if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the services. In re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); In re Bright-Crest, Ltd., 204 USPQ 591 (TTAB 1979).

To determine whether a term is merely descriptive we must consider the term not in the abstract, but in relation to the services for which registration is sought, the context in which it is being used, and the possible significance that the term would have to the average

¹ Applicant indicates that it offered to disclaim the term "MORTGAGE" but the Examining Attorney declined to accept the disclaimer because it would not overcome the refusal. In its brief applicant indicated a continuing willingness to disclaim "MORTGAGE."

purchaser of the services in that context. In re Abcor Development Corp., 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978).

When two or more merely descriptive terms are combined, we must determine whether the combination of terms evokes a new and unique commercial impression. If, on the other hand, each component retains its merely descriptive significance in relation to the services, then the resulting combination is also merely descriptive. See, e.g., In re Tower Tech, Inc., 64 USPQ2d 1314 (TTAB 2002) (SMARTTOWER merely descriptive of commercial and industrial cooling towers).

In this case, the Examining Attorney argues that the mark is descriptive because, "the proposed mark is merely a composite of descriptive terms that in combination, does not create a unitary mark with a separate nondescriptive meaning." Applicant argues that the mark is suggestive.

The Examining Attorney first attempts to show that each of the terms in the mark is merely descriptive by providing definitions of the terms from a number of online sources; he provided the definitions for the first time with his brief. The Examining Attorney asks the Board to take judicial notice of the definitions of "mortgage" and "returns" apparently recognizing that the submission of

this evidence would otherwise be untimely under Trademark Rule 2.142(d) which requires that the record be complete before the filing of an appeal. 37 C.F.R. § 2.142(d).

The Board will take judicial notice of certain materials including dictionary definitions. See University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc., 213 USPQ 594 (TTAB 1982), aff'd, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983). However, the Board will not take judicial notice during an appeal of definitions from dictionaries which are only available online. In re Total Quality Group Inc., 51 USPQ2d 1474, 1476 (TTAB 1999). Accordingly, we have not considered the definitions of "mortgage" and "returns" which the Examining Attorney provided with his brief. However, if we had, we would not reach any different conclusions here.

To ensure full consideration of the matter we have taken judicial notice of definitions of "mortgage" and "returns" from the Merriam-Webster's Collegiate Dictionary (11th ed. 2003), definitions which are fully consistent with those provided by the Examining Attorney.

In relevant part, the definition of "mortgage" specifies: "... 1 : a conveyance of or a lien against property (as for securing a loan) that becomes void upon payment or performance according to the stipulated terms

2a : an instrument evidencing the mortgage ... c : the interest of the mortgagee in such property." In fact, there is no dispute as to the descriptive significance of "mortgage" as applied to the services identified here. Applicant acknowledges that the identified service is for the administration of "mortgage" loans. As we indicated, applicant has even volunteered to disclaim "MORTGAGE" as a descriptive term.

In relevant part, the definition of "return" specifies: "... 4 c (1) : the profit from labor, investment or business : YIELD (2) p1 RESULTS d : the rate of profit in a process of production per unit of cost ..." It is the meaning of "returns" in the mark, and particularly as applied to the identified services, which is in dispute here. In fact, it is the core dispute in the case.

During the prosecution of the application, the Examining Attorney made a number of excerpts from Internet web sites of record in an attempt to demonstrate the descriptive significance of "returns" in this context.

These excerpts included material from a site associated with PIMCO Advisors, which appears to be a financial services company involved in investment funds. The site includes a reference to "PIMCO Total Return Mortgage Fund A" which appears to be a bond investment

fund. Another excerpt is from a site associated with AMF ASSET MANAGEMENT FUND and includes a heading "Calendar Year Returns" and a "button" indicating "View Annual Returns." There is also a reference to the AMF Intermediate Mortgage Fund, among other funds, with data relevant to that fund. A third excerpt is from a site associated with Fairfax Digital which includes an article entitled "Mortgage trusts face lower returns as banks join in." The article explains, "Mortgage trusts work by pooling the funds of a large number of relatively small investors and lending the money to people who want to invest in or develop properties." These uses appear to be in relation to an investment fund or similar vehicle consisting of mortgage-related holdings - an area which appears to be far afield from the services identified in this application. The service identified here is not a financial service, but rather a business-support, "tracking" service for use by loan officers in the mortgage loan business.

Another excerpt is from a site with a logo with the words "Good! = *Returns*" and it includes a chart with accompanying text stating, "**Good Returns** provides a comprehensive listing of home mortgage rates offered in New Zealand." This appears to be a use of "Returns" as part of a service mark for services rendered in New Zealand. This

use of "returns" is not particularly probative of the significance of "returns" in the mark at issue here.

The only other excerpt is associated with "interest.com" and includes an article with a headline stating, "A 15-year Mortgage Yields Faster Returns but Payments Rise." The article discusses the advantages and disadvantages of 15-year verses 30-year mortgages. There is no use of "return" or "returns" in the article. The publisher's use of "Returns" in the headline is ambiguous. That is, it is unclear whether "Returns" is being used in a technical sense, as it may be used in the world of investment, or in a more creative way.

The Examining Attorney also provided materials from applicant's web site which discusses the services at issue here, namely, "providing temporary use of on-line, non-downloadable software in the field of customer relationship management for use in tracking key dates, maintaining client contact information, and incorporating customer account-specific details into tracking, such as which clients to contact when and why based upon client specific information for use by the mortgage industry." Applicant's materials state:

You've got a healthy base of existing mortgage customers already. How do you hold onto them?

With Mortgage Returns, your company knows specifically which customers to contact, when and why. Loan officers are equipped with account-specific information necessary to initiate individualized contact with existing customers, as efficiently and as cost-effectively as possible.

Mortgage Returns is much more than just contact management, we are at the forefront of Customer Relationship Management (CRM) services for the mortgage industry. Detailed customer account information including, rate, equity, term, maturity date and anniversary date are all managed and tracked automatically for the loan officer.

Another passage on the site states: "The Mortgage Returns concept was generated by requests from Loan Officers looking for mortgage-industry specific contact management software."

It is clear that the service at issue is for loan officers in the mortgage loan industry for use as a client service and sales tool. The purpose of the service is to retain customers and generate new business. For example, the service may alert a loan officer at an opportune time to suggest refinancing to a customer.

In this context, the use of the term "returns" assumes a meaning which is not merely descriptive. It suggests that the use of this service as a sales tool will produce "returns" in the sense of good customer service or new business. It will pay "dividends." In this context "returns" is not being used in its technical, literal sense

known in the world of finance and investment, but rather in a suggestive sense to indicate that this service, which is not a financial service but rather a work management tool, will be beneficial.

As the Court of Appeals for the Federal Circuit has observed:

In the complex world of etymology, connotation, syntax, and meaning, a term may possess elements of suggestiveness and descriptiveness at the same time. No clean boundaries separate these legal categories. Rather, a term may slide along the continuum between suggestiveness and descriptiveness depending on usage, context, and other factors that affect the relevant public's perception of the term. See Zatarians, Inc. v. Oak Grove Smoke House, Inc., 698 F.2d 786 [217 USPQ 986] (5th Cir. 1983) ("These categories, like the tones in a spectrum, tend to blur at the edges and merge together. The labels are more advisory than definitional, more like guidelines than pigeonholes.").

In re Nett Designs Inc., 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001).

In this context, the use of "returns" in the MORTGAGE RETURNS mark assumes a nuanced meaning which is more properly categorized as suggestive rather than merely descriptive. Accordingly, we conclude that the entire mark MORTGAGE RETURNS is not merely descriptive of "providing temporary use of on-line, non-downloadable software in the field of customer relationship management for use in tracking key dates, maintaining client contact information,

and incorporating customer account-specific details into tracking, such as which clients to contact when and why based upon client specific information for use by the mortgage industry." In concluding so we are mindful that, in a case under Trademark Act Section 2(e)(1), we must resolve any doubt in favor of applicant. In re Rank Organisation Ltd., 222 USPQ 324, 326 (TTAB 1984). However, in the absence of a disclaimer of the merely descriptive term "MORTGAGE," we will not reverse the refusal.

Decision: In the absence of a disclaimer of "MORTGAGE," the refusal under Section 2(e)(1) is affirmed. If within 30 days of the date of this decision applicant provides an acceptable disclaimer of "MORTGAGE," we will set this decision aside and reverse the refusal under Section 2(e)(1) in accordance with Trademark Rule 2.142(g).